

Responsible Business Report 2017

Bank of Ireland 

Enabling our customers,
colleagues and communities
to thrive.

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Bank of Ireland Group plc is a public limited company incorporated in Ireland, with its registered office at 40 Mespil Road, Dublin 4 and registered number 593672. Bank of Ireland Group plc, whose shares are listed on the main markets of the Irish Stock Exchange plc and the London Stock Exchange plc, is the holding company of Bank of Ireland. Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, Bank of Ireland is authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.

Our *Responsible Business Report* provides an account of the business in 2017, through the lens of Customers, Colleagues, and Communities. It presents a comprehensive and transparent overview for all our stakeholders.

Responsible Business



Tom Leech enjoying Up the Hill for Jack & Jill



“ **A National Champion is a responsible business,** one that is customer focused in how it conducts its business, and one that puts things right quickly when things go wrong. ”

Francesca McDonagh, Group CEO

Responsible Business Report 2017

Introduction from **Francesca McDonagh** Group CEO

I am delighted to introduce our *Responsible Business Report* for 2017 – my first as Group CEO of Bank of Ireland.

Since joining Bank of Ireland last October I've been struck by the pride my colleagues have in the company, its history, and its heritage. This pride is a strong foundation from which to shape the next chapter of the Bank's story.

That next chapter means achieving our ambition to be the National Champion Bank in Ireland – to be the Bank of Ireland.

Responsible Business Report 2017

To be a National Champion in your chosen business means a number of things – it means to have strong market shares and focussed businesses, to drive economic growth and generate positive returns.

But it's about much more than this. A National Champion is a responsible business, one that is customer focussed in how it conducts its business, and one that puts things right quickly when things go wrong.

Our ambition is to be the National Champion Bank in Ireland and to achieve this needs a clear and strong purpose. Since joining Bank of Ireland I have introduced a new purpose to guide everything we do – that purpose is to enable our customers, colleagues and communities to thrive.

To thrive means many things. It can be measured in different ways – not all of them financial. It means flourishing and progressing towards whatever we want to achieve in life. Sustainability is key: without it, no person, no company, and no community can thrive long term. I am committed to leading this organisation in a manner that is responsible and sustainable, as well as profitable – so that we all thrive.

Striving to achieve our ambition, and truly living our purpose, means that Responsible Business must be more than a form of words. Responsible Business must go to the core of how we do business.

This report – an annual publication – allows us to demonstrate our Responsible Business practice to our stakeholders. It highlights the positive impact of our business and also acknowledges where we've made mistakes. Most importantly, it sets out what we are doing to put things right.

When I look through the pages of this report, there is a lot for us to take pride in. We are helping more and more people to buy a home, move home, and grow their home. We are helping more and more businesses to grow – with traditional banking supports, but also by offering entrepreneurs and startups places to work from, to meet new customers, to make contacts and win contracts.

We have affirmed our commitment to inclusion and diversity ensuring colleagues can bring their 'whole selves' to work. And we recognise the work of our colleagues to support our flagship charities, thereby giving back to the communities in which we live and work. But we need to do more, and the survey of all colleagues last year gave me very honest feedback about what we need to improve.

Our financial results paint a picture of the Bank of Ireland, but this *Responsible Business Report* completes the canvas – showing our purpose in action, for customers, colleagues and communities alike.

Francesca McDonagh
April 2018

Responsible Business at Bank of Ireland

Audrey Nolan, Head of Corporate Social
Responsibility and Reporting

For the fourth successive year, we are reporting on our non-financial performance in Bank of Ireland. We are committed to doing this because we believe that being transparent with our stakeholders about our approach to doing business is important. Reporting in itself is a powerful thing to do because it drives an ambition to improve our work in this area.

In 2017 Bank of Ireland introduced a new purpose and values, which act as the foundations for this report. Framing our responsible business impact through the lens of our customers, colleagues and communities provides an opportunity to be transparent about our business practice from the perspectives of our different stakeholders.

As with all large businesses, we have a responsibility to show leadership in this area and to continue to demonstrate our commitment through our actions. We also know that our stakeholders' expectations around transparency, and those of society in general, are continually evolving. We must respond to that.

The EU Directive on non-financial reporting, along with Gender Pay Gap reporting in the UK (and forthcoming requirements in Ireland), the UN Sustainable Development Goals and increased interest from our investors, all present opportunities for us to take action and demonstrate best practice in responsible business.

In addition, the Business Working Responsibly Mark, which we are very proud to have achieved in 2016, requires continuous improvement and we will begin the process toward re-certification later in 2018.

In Ireland, Responsible Business has been recognised at Government level, with the publication in 2017 of the second National Plan on CSR, *Towards Responsible Business*. We are delighted to be working together with a range of other businesses, non-profits and public sector organisations to drive this agenda as part of the National CSR Stakeholder Forum.

“ **Reporting in itself is a powerful thing to do because it drives an ambition to improve our work in this area.** ”

Audrey Nolan, Head of Corporate Social Responsibility and Reporting

Responsible
Business



All of these drivers present a solid rationale for continuing to evolve our approach to responsible business. In 2018, we will use the foundation of our new purpose and values to develop our responsible business strategy for the next phase of the Bank's journey, including our key objectives and commitments. We look forward to reporting our progress in future publications.

“ We have a responsibility to show leadership in this area and to continue to demonstrate our commitment through our actions. ”

Audrey Nolan, Head of Corporate Social Responsibility and Reporting

Our Ambition...

**National Champion Bank
in Ireland;** UK and selective
international diversification

Our Purpose...

Enabling our customers,
colleagues and communities
to thrive.

Our Core Values...



Our Strategic Priorities...

Transform the Bank
Serve Customers Brilliantly
Grow Sustainable Profits

Our Purpose and Values

The most successful companies have a strong sense of purpose. They are clear, not only about *what* they are here to do, but *why*. Over the past decade, we worked to recover from the financial crisis, repay taxpayers for their support and create a sustainable business. We were clear about what we needed to do. We made good progress but we sometimes made mistakes. In the next stage of our journey we need to go further and harness our collective strength for our customers, colleagues and communities.



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Business

Rebuilding trust in Bank of Ireland

The first step on our journey is to rebuild trust. We need to rebuild the trust between us and our customers, to work together to better anticipate their needs and work harder to deliver for them. To do this, we need to help our colleagues develop new skills, enable them to work more effectively, and use our shared expertise to grow. At the same time, we need to look beyond the four walls of Bank of Ireland and use our collective strength to better support the communities we work in and for.

A thorough review of our company culture

Rebuilding trust started with a review of our company culture. We wanted to understand what our colleagues felt about our culture, how they thought they should behave and how this was affecting our customers. The review involved interviews, surveys and discussions to help us agree the culture we wanted to have in the future and how to get from here to there.

Defining a common purpose

A clear sense of purpose is critical to support us on our journey to transform Bank of Ireland. It is 'why' we do business. Our new Purpose is:

Enabling our customers, colleagues and communities to thrive.

Every word of our Purpose is important and was selected for a particular reason.

Enabling means empowering people, giving them the ability to do something they might not be able to do alone.

Customers are at the heart of our business and always come first.

Colleagues keep our organisation working, innovating and adapting to meet our customers' needs.

Communities are those in which we live and work, and also include other groups both local and global, such as our partners, shareholders, regulators and government.

Thrive is broader than financial success – it means to flourish, prosper and progress towards whatever we want to achieve in life.

Four key values to guide us

To help guide our colleagues as we transform the Bank of Ireland culture, we have defined four Values. These Values embody our commitments to our customers, colleagues and communities, and sum up the specific behaviours we all need to live by every day. By making these behaviours open and transparent, we are enabling everyone in our organisation to speak up, to challenge things and to change them. Our Purpose tells everyone 'why' we are in business. Our Values are how we get to the 'why' – they act as our behavioural compass for how we achieve our Ambition, Purpose and Strategic Priorities.



Customer focused

We **understand** our customers well. We **listen** to them to ensure they feel valued. We use our insights to consider how best **to serve** their needs. We take appropriate actions **to deliver solutions to meet customers' changing requirements.**

One Group, one team

We know we work smarter when we come together behind **our common purpose.** We learn from each other and share ideas to expand our thinking. We build an **open, trusting and supportive environment** and **foster diversity of thought, ideas and experiences to spark creativity.**

Accountable

We are **empowered** to take **ownership** and **trusted** to do the right thing **to support our customers, colleagues and communities.** We **lead by example and challenge ourselves** and each other to do our best work at all times. We learn from our mistakes and celebrate our successes together.

Agile

We **embrace change** with an **open mind** and a **can-do attitude.** We respond **quickly** and **proactively** seek different perspectives. We challenge ourselves to look for new and simplified ways to **efficiently deliver the best solutions for our customers.**

Together, everyone at Bank of Ireland is responsible for living our Values in order to ensure that our behaviour always supports our Purpose of **enabling our customers, colleagues and communities to thrive.**



Values to guide us



Listening & learning...

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Customers

Enabling our customers to thrive

The first part of our purpose is to ‘enable our customers to thrive’, by putting customers at the heart of what we do. This begins with restoring trust between us. Listening to and understanding what our customers are telling us helps us to see things through their eyes. It means serving customers when and how it matters most; at key moments in their lives. It means supporting them with practical help and expert knowledge and continually checking back that we are meeting their needs.

Responsible
Business

Listening & learning

We understand that we need to work hard to restore trust in Bank of Ireland. Trust is the basis of all our customer relationships and we are all accountable for demonstrating to our customers that they can place their trust in us. We will not always get things right, but when we don't we will strive to put it right as soon as possible.

How we listen to our customers

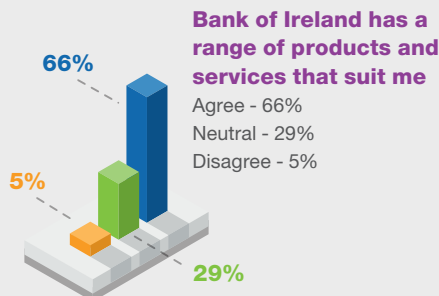
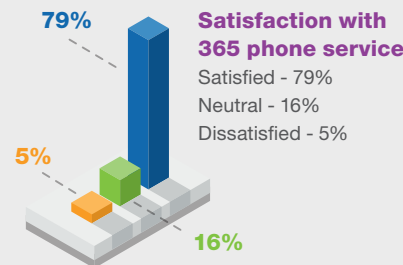
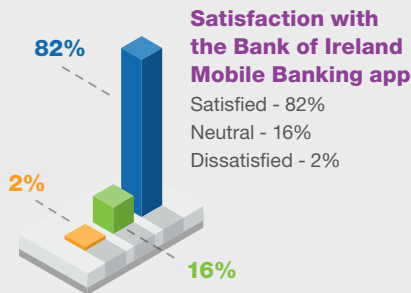
We continuously engage with our personal and business customers to ask them how well we are meeting their needs and to understand where we can improve. We analyse the types of complaints customers make, learn from what they are saying about the Bank on social media and use online surveys and in-depth studies to get a well-rounded view of our customers' views.

How do customers rate us, overall?

A key indicator for us is our Net Promoter Score (NPS) which is a international standard measure that tells us how likely our personal and business customers are to recommend us to a friend, relative or colleague. We subtract the detractors, people who say they are not likely to recommend us, from the promoters, to get our NPS score. In 2017, our NPS for all customers surveyed across the island of Ireland was +5. We are committed to working hard to improve this score, so that more of our customers feel that we are serving them brilliantly.

Customer opinions on specific topics

As well as asking our customers whether they are likely to recommend us or not, we also listen to their opinions on a wide range of topics. For example, we ask them if they think we are 'easy to deal with', how satisfied they are with our mobile app and our phone service, and whether we have a range of products and services that suit their needs. In 2017, we put these questions to customers from across Ireland. Here are their responses:



Responding to what customers tell us

We use insights from customers to improve our propositions and deliver appropriate outcomes. For example, by listening to our customers we know that they want more and better technology to make banking easier and more convenient for them. In response, we are investing heavily in digital technology which will make it simpler for them to bank with us.

Putting things right when we get things wrong

The tracker mortgage issue reminds us of how trust between us and our customers can easily be lost. The way in which we address this issue will define the customer-focused culture we aspire to.

Tracker Mortgage Examination

We introduced Bank of Ireland tracker mortgages in August 2001. Tracker mortgages allowed customers to 'track' their mortgage interest rate against the European Central Bank (ECB) rate and were very popular. Over the years that trackers were available, a large portion of Irish mortgages were tracker mortgages.

During the global financial crisis, the European Central Bank reduced its main borrowing interest rate significantly, from 4.25% in 2008, to 1.5% by 2011, and down to 0% in 2016. As a result, tracker mortgages became a loss-making product for us and we discontinued them. This was the right decision at the time for us. Any business with a loss-making product must review the product and take steps to avoid such losses.

However, customers who had taken out tracker mortgages still had contracts with us that remained valid. Customers have rights and businesses have responsibilities.

In 2015, under the Central Bank's Tracker Mortgage Examination we examined all of our tracker mortgage accounts to assess whether we complied with our responsibilities under consumer protection obligations. The majority of our customers entitled to a tracker mortgage had the option to return to a tracker rate of interest and did so. However, this was not the case for all customers with that entitlement. We made serious mistakes and this undoubtedly caused many of our customers financial pain and personal distress.

During the Examination, we took too long to get to the right position, and we didn't go far enough in putting the customer first.

Our priority now is on fixing our mistakes and we have been working hard to ensure that we provide redress and compensation to all impacted customers as quickly as possible. We fully accept that monetary compensation alone can never be a complete and adequate response to mistakes that we made. Banking, at its core, is based on trust. Trust has been damaged, both in Bank of Ireland and in the industry as a whole.

Putting things right when they go wrong is very important, and learning from this issue is critical. We are now reviewing how these mistakes were made to strive to ensure this does not happen again. We are fully committed to becoming a more customer-focused bank, rebuilding trust with our customers and with the wider society we serve.

“ I have made resolving this issue my personal priority since joining the Bank. ”

Francesca McDonagh, Group CEO

Changing as our customers change

Listening carefully to what our customers tell us enables us to better anticipate, and respond to their changing needs. Customer banking habits are changing faster than ever before, and we are adapting our services and investing in new technology to meet the changing needs of our customers. We have identified two broadly different requirements from our customers. For day-to-day transactions, many simply want to bank quickly and easily. However, for life's bigger financial decisions, they prefer to take more time and talk things through with a skilled advisor. In response, we now offer a distinct combination of a digital presence, contact centres, and branches in communities across Ireland as well as strategic partnerships with trusted brands in the UK.

Rethinking the role of our branches

As the bank with the largest presence in Ireland, we operate 258 branches in the Republic of Ireland and 28 in Northern Ireland. As our customers adopt digital technology, we've had to rethink the role that our branches play. Today, only 2% of our customers' total transactions take place over the counter. When we look at trends over time and see counter activity steadily falling, we reconfigure the branch to support how our customers are using it. That means moving colleagues from behind the counter directly onto the floor and into the community, where they can provide advice and assistance to customers, help them with self-service options and act as local community champions. Our branches help support the social and economic activities of the communities in which we operate, for example through our Enterprise Town programme. We also have a dedicated team of Digital Arrows, who support customers with online banking.

Investing in our branches to help customers

In 2017, we invested €10 million in our branch network in the Republic of Ireland. We have introduced external Lodgement ATMs, so that customers can lodge or withdraw funds when the branch is closed. During 2017, we added 90 external Lodgement ATMs bringing the total number to 209. We also continued our branch upgrades including refurbishments, customer lounges and kiosks and we expanded the space we make available to startups and communities.

Improving the customer experience through digital

Our customers' behaviours and preferences are changing and the demand for digital capability is constantly increasing. 79% of our customers are now digitally active and 80% of our customer interactions are online or over the phone. We are investing in technology to improve the customer experience and also to transform our businesses.

Responsible
Business



Enterprise Town

For more details please see page 29



Digital Arrows

For more details please see page 25



Customer banking habits

During 2017, we met significant milestones in relation to the replacement of our Core Banking Platforms. In 2018, we expect to complete the underlying technology infrastructure, the creation of a single customer view for Ireland and delivery of the first set of live products for testing. Our focus in the years following is on adopting, integrating and moving on a careful and phased basis to more scalable and modern platforms that position us for long term sustainability and competitiveness and serving our customers brilliantly.

Digital improvements delivered for customers in 2017 include:

Applying for products online

Our customers can now apply online for personal and business bank accounts, savings accounts, first-time buyer and mover mortgages, credit cards, personal and business loans and insurance. Our document upload hub enables them to send us copies of their personal identity documents and proofs of address from their computer, making the application process simpler and easier. We were the first Irish bank to enable customers to open accounts using only digital channels.

Business loans up to €120,000 over the phone or online

Small businesses that need working capital, or capital to grow, can now apply for a loan up to €120,000 over the phone or online, making the approval process quicker and more convenient.

iPort Retirement

In 2017 New Ireland launched iPort for Retirement. This online advisory tool allows Financial Brokers and Advisors to complete a comprehensive risk focused review for clients coming up to retirement. It compares Annuity and Approved Retirement Fund (ARF) options available to a client and presents modelling to allow a client make informed decisions about their future. As well as this retirement feature, iPort also includes investment and pension savings functionality.

720,000
active mobile users,
up 15% since 2016

c.1 million
digital customers across
Personal and Small
Business segments

79%
of customers
digitally active

600%
Increase in contactless
transactions in 2017

80%
of customer interactions
are online or over
the phone

75%
of new product sales are
now opened through direct
and digital channels

250
customer journeys
now digitised and
optimised



Perspectives on Digital

Audrey Nolan, Head of Corporate Social Responsibility & Reporting, is joined by **Joann Hosey**, Director of Customer for Distribution Channels, Retail Ireland, **Daniel Ehriech**, Head of Consumer Banking and Value Propositions for Retail UK, **Sharon Donnelly**, IT Business Partner for Group Manufacturing and **Mark Kelly**, Head of Online for Retail Ireland, to discuss the impact of digital on Bank of Ireland's customers, colleagues and communities.

Audrey Nolan: We've already seen a huge change in the way our customers interact with digital channels. Why is that better for our customers?

Joann Hosey: Customers are looking for things to be as easy as possible, which means being able to do their banking at a time and place that suits them and increasingly that's through digital channels. Our responsibility is to meet that demand and change the way that we serve our customers.

Daniel Ehriech: It's easy to forget that technology advancement for customers isn't new. If you look back over the last 50 years, every few years there's been a major innovation which has changed the way that customers bank – for example, ATMs were a huge change for people. But with smartphones, people are now walking around with the channel in their pocket and we can use that to remind them to check their balance more frequently or prompt them if they're running out of money when a payment is due. We're using digital to put control back in the hands of the customer.

Sharon Donnelly: And it is our challenge to keep up with those expectations. Every year the scale and volume of transactions done online is growing, and over time that becomes the norm, so we have a responsibility to keep pace with that. Nine to five isn't the answer anymore, it's 24/7, and as a bank that's how we now support customers in the digital age.

Mark Kelly: I also think it's about convenience and putting choice into the hands of the customer. Technology companies are setting expectations that, as a customer, I can choose how I interact with the bank, and do my banking in the way that suits me best – and that could be at 2am. And that's what we as a bank are trying to deliver as a service. I think the challenge for banks is, how do you do that in a nice easy way, on your phone?

The impact of digital



Audrey Nolan: What about the needs of vulnerable customers?

Sharon Donnelly: We've invested in our website to ensure it is enabled for people with disabilities. What we've also learned is that it can't be just digital, particularly when you're introducing new services – for example when we introduced lodgement ATMs into branches, one of our big learnings was just how important it was to have people on the floor to help customers get comfortable with them – and not just once but multiple times.

Daniel Ehriech: We've thought about how we can use technology to help customers who are vulnerable in lots of different ways. No two customers are the same. And digital recognises the ability to personalise products and services, so there are capabilities to help customers use traditional products in a new way. For me, digital gives you options that weren't there before, and we just need to keep an open mind on other ways to use it.

Joann Hosey: In the community, we have our Digital Arrows, who work closely with different communities across the country. For example, they work closely with older customers, helping them to embrace digital, to understand how to send an email to their grandchild, whatever it might be. They also work closely with young kids, helping them to get online and to stay safe online.

“...banking at a time and place that suits them, and increasingly that's through digital channels.”

Joann Hosey, Director of Customer for Distribution Channels, Retail Ireland

Audrey Nolan: How do you see digital transforming the way our colleagues operate?

Joann Hosey: A big change is how our colleagues are working and going out to meet customers, and we give our colleagues the technology and the supports to allow them to be agile. Having more freedom and more flexibility is really important and I think we're still on a journey in terms of making sure we have all the tools and technology to support it. So we're not 100% all the way there. But certainly we have improved significantly.

Sharon Donnelly: One of the challenges for us is to see how we can use digital to make roles more productive, better for our colleagues in terms of work-life balance, and getting more supports in place for our people.

Audrey Nolan: And is digital helping us become more efficient as an organisation, do you think?

Mark Kelly: Yes, as an example on my team we don't use email to communicate internally, we're using other tools that are more efficient. It's an example of where we're using a tool that makes it easier to go to a single place and work as a team on a problem. So I think that the digital workplace is exciting and there's a clear roadmap of what's next to help remove the barriers to making us more efficient as a team.

Daniel Ehriech: If I think about how we were developing products when I first joined the Bank, we would generally start by looking at what we were capable of building and then find a way to fit those products to the customer's needs. Over just a few short years, we now start by speaking to customers and seeing what they want, and then develop new capabilities and digital tools that you know meet the needs they have in their daily lives.

Audrey Nolan: Finally, does digital have a role to play in our work with communities, which has traditionally been through the branch?

Mark Kelly: Definitely, and it's not just the branch, it's how do we as Bank of Ireland move outside the branch and not be constrained by our building. We're now using some of our branches for startups and for small businesses, many of whom have very limited resources, and we have ThinkBusiness.ie which provides a wealth of online research and tools for business customers. Over 80% of that content is generated by our own customers. So it's quite a range.

...the
impact
of digital

Interview: Adam Wild, Chief Information Security Officer

As we continue the move to an increasingly digital environment, the importance of keeping customers' information safe becomes ever more vital. We talk to Adam Wild, Chief Information Security Officer at Bank of Ireland, about how we are protecting customers' information and helping to keep them safe online.

What is Bank of Ireland doing to protect customers' information?

We take this very seriously and invest in both the skills and technology needed to protect our customers' information. We constantly monitor cyber security threats as part of our ongoing cyber defence strategy, and implement protective measures where they are needed. We also work with experts around the world to understand future threats and how to defend against them.

How are you helping people to understand the threats and respond appropriately?

We are all vulnerable to cyber-attacks at work and at home. These attacks are becoming more common and sophisticated, so it's important that everyone knows how to protect themselves. Our goal is not just to protect the Bank, but also to help our customers protect themselves. In February 2017, we launched our online Security Zone for our personal and business customers, where they can get helpful hints and tips, receive specialist advice and watch our 'Stay safe online' video. We promote Cyber Security Awareness Month every October, as well as other internationally recognised events like Safer Internet Day. We continually review our guidance based on feedback from colleagues and customers.

Are you reaching out to local communities to help people use digital technology safely?

Absolutely! We have a team of dedicated Digital Arrows who support customers of all ages across the Republic of Ireland and help them enjoy the benefits of digital technology in a safe way. They run 'Tea & Teach' sessions to help people in local communities get online confidently and safely, using their smartphones, tablets or laptops. They also run 'Stay Safe Online' sessions with young people and their parents in schools and help small businesses to use the internet to connect with new customers.


How are you improving security for business customers?

We are always working on ways to enhance the overall security of our online banking services. In 2017, we introduced KeyCode for our Business On Line customers. This replaces passwords with secure one-time codes sent directly to our customers' mobile phones and used to log on to Business On Line and for authorising payments or payees.

How do you ensure that your own colleagues are aware of the latest cyber threats?

All my colleagues play a vital role in keeping customer information safe. To help them keep their information security knowledge and skills up-to-date we have our Think Security campaign internally, which includes mandatory annual web-based training, monthly bulletins, talks and briefings, as well as dedicated internal web pages for further guidance. We even test colleagues by simulating real cyber-attacks to see how they respond. All of these elements are designed to improve our colleagues knowledge so they can better protect our customers.

Check out Bank of Ireland's Security Zone at:
www.bankofireland.com/security-zone/



“The reality of the digital world is that **we are all vulnerable to cyber attacks**, at work and at home. At Bank of Ireland our goal is not just to protect the Bank, but also to **help our customers protect themselves.**”

Adam Wild, Chief Information Security Officer

Enabling personal customers to thrive

Our personal customers go through life stages that are unique and relevant to them. Each life stage affects how they bank and what products they need. Our new approach, 'Life Moments', is core to serving customers when and how it matters most, whether that be at positive times in their lives, such as buying a house, or at more challenging times, such as during a bereavement. By serving our customers in terms of their life moments, we are taking a holistic view of our customers' financial needs and our relationship with them.

The 'Life Moments' approach allows us to play a more active role in the lives of our customers, helping them with advice, access and the information they need to make decisions around their key life moments. Our initial suite of 'Life Moments' propositions will launch in 2018. We have already started taking this approach through our Bereavement Support Unit and our student and graduate offerings.

'My First Big Decision'

To ensure lasting relevancy with Ireland's young people, we embarked on extensive research. We wanted to better understand how we could meet their needs, how we could build stronger relationships with them and how to identify where we could add real and meaningful value to their lives. Across this comprehensive deep-dive we discussed all elements of their lives, including their passions, aspirations and influences.

The most pressing insight was that they want to be empowered to make their own decisions. They need communications to be meaningful to them, they want to be spoken to in their own language and it needs to come through digital channels. They also want things now.

We listened, took their thoughts on-board, and ultimately developed a brand new graduate proposition called 'My First Big Decision'. This proposition supports graduates when and where it really matters to them – their first job, their first real adventure and their first postgrad. We revised our digital offering to include a dedicated 24/7 grad hub, with phone and online support from specially trained colleagues and a dedicated product suite with free banking for two years. We provide them with hints and tips to build their financial capability, delivered through the channels they want, and we became the first bank in Ireland to launch on Snapchat. The graduate proposition, which launched in 2017, has already delivered for our graduate customers with an additional 15,000 active customers retained. We will continue to build out the proposition for 2018, to ensure we remain top of mind for graduates at key life moments.

In focus

Bringing the Bank to customers

Bringing the Bank to customers

We understand that our customers can't always come to us so we go to them.

Mortgage meetings at home

Our 20 mobile mortgage managers ensure that our customers can discuss one of the biggest financial decisions in life whenever and wherever it suits them. That often means our mobile mortgage managers meeting customers at home in the evening when the kids are in bed, or at the weekend when they are off.

Bringing the Bank to work

Many of our customers have busy jobs and find it hard to leave work to manage their finances. In response, we bring the Bank to their workplace through our Bank at Work programme. We now reach 183,500 customers, who work in 272 organisations, at 358 locations, making it quicker and easier for them to stay on top of their finances.

Getting farmers online

Just one in four farmers are currently online. In partnership with the National Digital Skills for Citizens program, we played a key role in the promotion of a free 10-hour training course targeted at farming families. Over 2,100 Bank of Ireland customers participated in the program, which helped them to get online, stay safe online, and use digital technology to help them manage their farming enterprises.

Supporting sustainable home ownership

We understand that it has become increasingly challenging for first-time buyers, in particular, to afford their first home, so we have designed products with them in mind.

MortgageSaver

We understand the challenge that people face saving up a deposit for their first home, so we designed MortgageSaver to meet the needs of hard-pressed first-time buyers. If they save, monthly, towards a deposit for at least six months and savings of at least €5,000, we give MortgageSaver customers a bonus payment of €2,000 on their savings when they draw down their Bank of Ireland mortgage. At a time when they have lots of bills to pay and their finances are stretched, the bonus can be used for whatever customers need most.

Helping people to buy a home

We offer products that help our customers get on the road to home ownership in a sustainable fashion. **Lending sustainably is key.** We offer a range of mortgage options, including fixed-rate terms for customers who want the certainty of repayments that comes with fixing, as well as variable rate options, taking into account the loan-to-value ratio of each mortgage. In 2017, we provided €2bn in new mortgage lending in the Republic of Ireland and £3.2bn in the UK. 89% of our new mortgages were drawn on a fixed rate.

Reducing fixed rate mortgage rates

We have reduced our fixed rate mortgages to 3% for one-year to five-year fixed periods for Loan to Value (LTV) up to 80%. Existing customers on variable rates, or coming to the end of their current fixed rate period, can apply for our fixed rate options. In addition, if a customer moves property during their fixed term, they can take their current fixed rate with them.

'Rome'

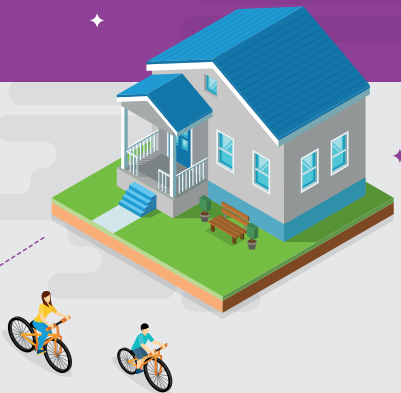
In the UK we have developed long-term partnerships with a select number of well-established, highly trusted UK brands. Our mortgage business offers a broad product range through our partnerships with the Post Office and the AA as well as an extensive number of mortgage intermediaries.

When Bank of Ireland UK built 'Rome', a new platform, to help customers apply for a mortgage, they listened carefully to what customers and brokers wanted and designed a system that delivered benefits to both. Using 'Rome', all our mortgage applications are now submitted online, whether they are

branded Post Office, AA or Bank of Ireland mortgages, and regardless of whether the application comes directly from a customer, a branch, a contact centre or from an intermediary.

As a result, customers can get an offer 'subject to approval' just one day after they apply. In a recent industry survey, this put us in the top five lenders for offer speed and also made us the lender with the largest improvement. We also were awarded five stars in the Financial Times Advisor Online Service and Innovation awards in both 2016 and 2017.

“As a result, customers can get an offer 'subject to approval' just one day after they apply.”



Supporting customers in financial difficulty

Our experience is that the vast majority of customers with debt repayment challenges can be sustainably supported. Our approach to helping our customers who may face difficulties with regard to their contracted mortgage repayments is based on the following principles.

We recognise the fundamental importance of the family home. We are focused on supporting customers with financial challenges, providing a comprehensive range of sustainable restructuring solutions – legal action is a last resort. We assess all forbearance requests on a case-by-case basis, taking due consideration of the personal circumstances of the borrower. We bear in mind our responsibilities to all of our stakeholders, including customers fully meeting their contracted mortgage repayments, our depositors, our shareholders (which include taxpayers), and the wider economy which requires viable banks able to support economic development. The forbearance strategies adopted by Bank of Ireland seek to maximise recoveries while providing suitable and sustainable solutions that are supportive of customers in challenged financial circumstances.

Responsible
Business

Financial wellness

Promoting financial wellness

When we talk about 'financial wellness', what we envisage is our customers being equipped to manage expenses, establish long-term goals, and effectively navigate the suite of available financial products and services so that they can weather economic downturns and pursue financial prosperity.

Financial literacy is the first step towards building sound **financial capability** which ultimately leads to financial confidence and overall **financial wellness**.

When people understand basic financial concepts they can make more informed decisions about their finances. A global finance literacy survey by Standard & Poor's Ratings Services¹, which analysed responses from more than 150,000 adults in 140 countries, discovered that just 55% of Irish adults were financially literate. This compares to 67% in the UK, 66% in Germany and 71% in Sweden.

The foundation block for financial wellness is education, to increase the financial literacy of younger and older customers in particular. This is complemented by building financial capability through appropriate alerts, tools and calculators to help people manage their finances better.

As the largest lender to the Irish economy, we have a particular responsibility to ensure that our customers and communities are financially literate and capable. When they thrive, we thrive. As a bank offering a wide range of financial products, from young saver accounts to pensions, we have relationships with customers of all ages as they go through all life's events.

Financial literacy for young people

A test by the OECD's Programme for International Student Assessment² found that one in four students internationally were unable to make even simple decisions on everyday spending, while only one in ten could understand complex issues, such as income tax.

We understand that financial habits are often acquired early and stay with people for life. So it's in our interest, and the interests of our customers, that people develop the most effective financial literacy they can early in life. To help young people learn to manage money more effectively, we have developed a practical programme enabling them to develop financial skills and also to foster an entrepreneurial spirit. The following are examples of some of our primary, secondary and third level initiatives.

Financial literacy for young people

(1) Standard & Poor's Ratings Services (2014), Global Financial Literacy Survey
(2) OECD (2017), PISA 2015 Results (Volume IV) Students' Financial Literacy

Primary

Secondary

Ollie the Owl

We developed an *Ollie the Owl* magazine with financial literacy expert, Frank Conway, to help teach financial literacy to 7 to 12-year-olds in primary schools. In 2017, we issued the magazine, free, to 280 schools, with an accompanying teacher's guide, and also made it available online. *Ollie* is the first of its kind in Ireland and provides children of primary age with the tools and information to understand the basics, giving them a solid basis for developing strong money management skills for the future. In 2018 we will launch an *Ollie the Owl* app to further strengthen financial literacy among primary students.

BizWorld

We partnered with not-for-profit BizWorld Ireland to help bring ideation, creativity and entrepreneurship to primary schools, by running tailored enterprise workshops for 10 to 13-year-olds. During the two-day workshops, schoolchildren have to research the market, develop a concept for a profitable business, form the business and pitch their idea to a panel of 'dragons'. In doing this, they learn about design, production, marketing, finance and sales, as well as teamwork and presentation skills. In 2017, 335 BizWorld workshops took place at schools across the Republic of Ireland involving 100 Bank of Ireland volunteers.

School Bank

In 2017, 303 schools in the Republic of Ireland took part in the Bank of Ireland School Bank initiative, which has been designed to support schools by providing financial education to students. The students are given help to develop CVs and are interviewed for roles in the school bank branch helping them with life skills for the future. Students get the opportunity to work in the school bank branch in a variety of roles, from Bank Manager to Customer Service Official, learning about banking and key teamwork skills. Each school bank team is supported by experienced Bank of Ireland colleagues from the local branch, to ensure the smooth operation of the bank, and to support the team with any queries they may have.

TY Academy

According to Irish small and medium businesses, many college graduates lack 'work-ready' skills. The Bank of Ireland Transition Year Academy is a unique three-day programme that introduces transition year students to the world of business and entrepreneurship, to raise their awareness of what future employers will expect from them. In the 2016-17 academic year, a total of 400 TY students participated in four separate Transition Year Academies, held in Dublin, Cork, Galway and Limerick.

Third Level: FX Trade Off

In 2017, we launched our first FX Trade Off competition to encourage participation and knowledge of global FX markets among Third Level students. 500 students from a range of Irish universities took part, and we teamed up with Irish fintech firm, Share Navigator, which provided the simulated markets environment for competition entrants. The competition saw over 22,000 trades, with the US dollar and the Japanese yen, being the most traded currency pair.

Through FX Trade Off we provided participating students with a range of educational opportunities to highlight the fundamentals of what impacts currency markets, the risks around this, and also the opportunities from understanding these markets. Educational tools included the FX basics course, "How to" trade videos, presentations from traders, daily FX brief and economic blog posts.



303
School Banks

335
BizWorld workshops

400
Students participated in
the TY Academy initiative

Financial literacy for older people

Estimates from Social Justice Ireland¹ suggest that there will be over one million people over 65 living in Ireland by 2031. As people live longer they inevitably have to manage their finances for a longer period. And, as the world undergoes a transformation to digital products and services, it is important that older people are not excluded and that they learn how to use digital effectively and protect themselves from specific threats to their financial wellbeing, such as fraud. According to a survey by Deloitte², over 71% of UK adults between the age of 55 and 75 own a smartphone, and they expect this figure to grow.

Helping older people to acquire digital financial literacy

As Ireland's population ages, an increasing number of Bank of Ireland customers are aged over 65. If we can help them to become more digitally literate on their smartphones, laptops and tablets, then they will be better able to make the most of new technology. This is important, as digital literacy will help them to apply for and manage products and services without having to travel to a branch, which can sometimes be challenging for those with mobility issues.

Financial literacy for older people



Our partnership with Age Action

For more details please see page 52



Tea & Teach

Our Tea & Teach sessions, run by our team of Digital Arrows in local branches, libraries and community centres, enable older people to get practical hands-on help and advice on simple things like using their smartphone or a search engine. Often small issues, can become big frustrations and prevent older people from using technology. Tea & Teach sessions can help them overcome these barriers to entering the digital world. The sessions aren't focused only on online banking, but also provide tips on things like using Skype to stay in touch with relatives abroad and how to find and use apps on smartphones.

Positive Ageing Week

In 2017, we partnered with our flagship charity partner, Age Action, to deliver Positive Ageing Week. Now in its 15th year, this is an annual celebration of older people, which recognises the contribution that older people continue to make in their communities. As the main sponsor, we hosted 30 events, with branches in every county participating, inviting local older people to attend, along with relevant local representatives from the community. Our team of Digital Arrows organised a 'bring your grandparent to school' day, where students were asked to invite a grandparent, older relative, neighbour or family friend into school to participate in an interactive social media workshop.

“ We had 75 students teaching 50 grandparents and the kids loved doing it. ”

Rachel Foster, Digital Arrow for the Dublin Region



Ruairi Barclay with his grandparents Sally and John Cotter and Rachel Foster from Bank of Ireland during Positive Ageing Week 2017

In focus...

Digital Arrows

Rachel Foster is a Digital Arrow for the Dublin Region. Her role involves helping young children to protect themselves when using the internet, older customers to become more comfortable with technology, and small businesses to make the most of social media for marketing. In 2017, she met over 9,000 people at Digital Arrow events.

She visits primary and secondary schools to explain to students how to stay safe online, sometimes holding a session with parents after meeting the children to pass on what they have told her to raise parents' awareness of the issues. In these sessions, she explains to parents **'how to have conversations with their children about online safety.'**

Rachel also runs Tea & Teach sessions in Dún Laoghaire Rathdown libraries. These sessions help older people looking for a bit of help to use their smartphone, tablet or laptop. **'Older people are really eager to learn but there's a bit of fear too,'** she says.

During Positive Ageing Week 2017, Rachel was able to bring young and older people together when schoolchildren invited their grandparents to school to teach them about technology. **"We had 75 students teaching 50 grandparents and the kids loved doing it,"** Rachel says. **"After two hours, they still wanted more time with their grandparents."**

Building financial capability

Our Proactive Care programme helps to build financial capability by enabling people to manage their finances better and improve their financial situation. A key element of this has been our 'Proactive Care SMS programme' which helps Personal Current Account customers stay on top of their accounts. We send them a text if for example, a direct debit is due and they don't have enough money available to pay it. It provides them with a timely prompt to move money into their account and reduce unnecessary fees and charges. In 2018 we will extend these financial alerts as part of our proactive care programme to further build the financial capability of our customers.

Ensuring inclusivity

We understand that some of our customers have, or may develop, challenges that can potentially hinder their ability to thrive. This can include an ongoing mental or physical health issue, a significant life event such as redundancy, divorce or bereavement, or becoming a carer for a family member. Any of these have the potential to seriously impact on our customers' financial resilience. We are working to ensure inclusivity of all customers, by developing tools and specialist services that address many of these challenges.

Communicating to customers

Adding sign language to our tutorial videos

In 2017, we worked with the Irish Deaf Society to update our six most popular 'How To' videos to include a signer to support our deaf and hard-of-hearing customers to manage their finances. This included videos on how to use online banking, to alert us to a change of address and how to change a standing order. Eddie Redmond, Chief Executive, Irish Deaf Society, said: **"We're pleased to see Bank of Ireland producing videos in Irish Sign Language (ISL)."**

Communicating to customers in Plain English

Writing in simple, clear English makes it easier for all customers to understand our financial products and services. We are Lifetime Corporate Members of Plain English and submit documents to them to get their advice on how to make them clearer. Their feedback has helped us tailor communications to, for example, the bereaved families of our customers, customers in mortgage arrears, and customers completing the Standard Financial Assessment. We currently have 553 Crystal Marks – Plain English's recognition that a communication is as simply written as possible – more than any other financial institution in the world.

Supporting vulnerable customers

Vulnerability can have a huge impact on our customers' ability to manage their finances. With this in mind, we are improving our ability to identify and support vulnerable customers, whether arising from a health condition, a particular life event or from barriers that prevent them accessing our products and services. This means empowering our colleagues with the necessary skills, knowledge and confidence, and ensuring that new services are tested and updated in keeping with our aim to help and protect all our customers whether they are in the branch, on the phone, or online.

Vulnerability Champions

In the UK, we have appointed Vulnerability Champions, who receive specialist training to enable them to assist vulnerable customers. We have implemented mandatory online training for all colleagues, we have enhanced access and facilities across our retail network in Northern Ireland and we have engaged with strategic partners, service providers and leading UK charities.



Amy Chapman - Vulnerability Champion

Amy Chapman is one of 30 Vulnerability Champions in our UK business. She works in mortgage debt management, where she assists customers who have been identified as vulnerable. 'There are many different types of vulnerability arising from health conditions, life events and accessibility issues,' she explains. 'Someone can be deemed vulnerable if they have a sight impairment or literacy issues and struggle to understand our communications.'

Other cases include customers who have been diagnosed with a terminal illness or have mental health issues. 'We also encounter

domestic abuse cases, where someone has had to flee the home to live in hostel accommodation,' Amy says. 'The conversations I have with customers tend to be longer and quite emotionally challenging.'

Amy's role is to assess the impact that their particular vulnerability is having on their ability to pay their mortgage and to work out a strategy with them. Each strategy is flexible and tailored to the needs of the individual customer. As a former counsellor for the UK mental health charity, MIND, she has an ideal background for the role.

“ We want to understand and we want to try and help you. ”

Amy Chapman, one of our 30 Vulnerability Champions

Enabling business customers to thrive

We understand that customers face challenges when starting, growing and sustaining their business. We listened to what our business customers told us were their greatest barriers to success, and responded by creating a range of events, programmes, advice, partnerships and products that support customers on their journey.

Role of our Branches
For more details please see page 14



Business events to support our customers

Having the largest footprint of any bank in Ireland, we recognise that we have a unique opportunity to arrange nationwide events for our business customers that can be tailored to meet local needs.

Enterprise Town

In 2017, 126 Enterprise towns were held in communities across Ireland. The Enterprise Town initiative sees our colleagues from local branches working with local businesses to plan and deliver a range of activities that will support and generate business in the area. The initiative also involves the wider community, to ensure everyone in the town can get involved and contribute. The business and community expo brings local businesses, schools and community organisations together to showcase the very best of what their community has to offer. In 2017, the Enterprise Town initiative won the Excellence in Community Programme award at Chambers Ireland annual CSR awards.

Helping Irish businesses prepare for Brexit

In 2017, as part of Bank of Ireland's cross-divisional Brexit Group, we held 26 *Prepare for Brexit* roadshow events for small businesses. Industry experts provided an overview of the range of possible Brexit outcomes, and business owners shared their assessment of the likely impact of Brexit, the mitigating actions they had taken and the benefits of early preparation. Experts from Bank of Ireland gave insights into various business sectors from our own research and discussed how businesses can manage the challenges presented by Brexit, protect their businesses from currency volatility and explore potential business opportunities.

Providing relevant and timely advice to businesses

Whether they are talking to their local branch manager or speaking to a colleague in our call centres, our customers are in a position to ask for and be offered the best advice. Over the past number of years we have developed even more ways of making our expertise available to the business community.

Sharing expertise on Thinkbusiness.ie

ThinkBusiness.ie is a website powered by Bank of Ireland that offers entrepreneurs free advice on starting, running and growing a business. Free tools, templates and guides help businesses with topics such as business planning, marketing, finance, HR, Sales and IT. In 2017, the website had over 1.1m page views.

Specialist advice for business sectors

Bank of Ireland has a team of sector specialists who work with our frontline relationship managers to provide insight and expertise, so they can in turn provide the best possible service to our customers. Uniquely, our sector experts are drawn from industry so they can share a wealth of knowledge and experience with the customers they deal with. The sectors covered by the team include Agriculture, Health & Life Sciences, Technology, Hospitality, Retail Convenience, Manufacturing, Motor, Property and Renewable Energy.

Heather O'Sullivan, John Ross Jewellers; Peter Harty, CH Chemists, Brian Hennebery, Hennebery's Sports and Maurice Fitzgerald, Dan Fitzgeralds all based in Tralee, Ireland's Most Enterprising Town

“The overwhelming sense of **pride and purpose** from those living, working and doing business in Tralee.”

In focus

Tralee - Ireland's Most Enterprising Town

In 2017 we ran a nationwide competition to find Ireland's Most Enterprising Town. Tralee, County Kerry, was the overall winner of our national Enterprising Town Awards. The judges chose Tralee from amongst 79 entrants, based on the immense collaboration they witnessed from local business groups and the wider community when they visited the town, along with the overwhelming sense of pride and purpose from those living, working and doing business in Tralee.

National Enterprising Town Awards

Innovative support...

Innovative support for entrepreneurs

Bank of Ireland offers a range of supports to the startup community in Ireland.

Helping to 'incubate' early-stage businesses

Our Startlabs in Galway and Dublin host our business incubator programme that helps educate, connect and scale tech and fintech startups. Each programme runs for six months, during which time the startups meet with speakers, coaches and mentors who can help them grow and scale their companies. Startlab Dublin helps to incubate the winners of the 2017 Enterprise Ireland's Fintech Competitive Start Fund. In 2017, we also launched Startlab New York, which represents the next step in our aim to foster entrepreneurship and has so far supported seven Irish businesses to grow in the US market.

Providing collaborative places to work

In 2017, we added to our workbenches at Grand Canal Square, Dublin and Eyre Square, Galway, by opening new workbenches in Cork, Limerick, Trinity College Dublin and Montrose at University College Dublin. At our workbenches, everyone, regardless of whether they are a Bank of Ireland customer or not, is welcome to pull up a chair, grab a coffee, get on the free WiFi and get to work on launching their startup alongside fellow entrepreneurs. We provide professional facilities for meetings, events and presentations. Workbenches also host business and community events, where startups can learn from experts and network with other businesses. Since they were introduced in 2015, Bank of Ireland workbenches in Dublin, Cork, Limerick and Galway, have welcomed more than 29,000 attendees to workbench events and, hosted more than 1,300 events.

Supporting startups

Our Business Startup Package offers support to entrepreneurs to help them get their new businesses up and running. In 2017, over 14,000 customers were eligible to get free transactions and maintenance fees for 24 months on their Startup business current account and a free custom-built webpage for 12 months. Bank of Ireland also supports the Startup Awards which recognise innovative, successful and aspirational Irish start-up companies.

“At our workbenches, everyone, regardless of whether they are a Bank of Ireland customer or not, is welcome to **pull up a chair, grab a coffee, get on the free WiFi and get to work on launching their startup alongside fellow entrepreneurs.**”

Startlab New York

For more details please see page 33



Some of the Zevo Health team at their Dublin office. Photographer: David McCauley.



Creating healthier workplaces

Zevo help organisations create healthier workplaces by designing and implementing wellness programmes. **'We believe every workplace is unique,'** says Zevo founder, Richard Murphy, whose background is in exercise and nutrition. 'We measure organisations' needs before we implement a tailored flexible wellness programme and then we continuously measure its effectiveness and propose any changes needed.'

When Richard was starting up Zevo, he used the Workbench in our Grand Canal Square branch for over a year. Workbenches are free to use and available to anyone who wants to come in, sit down and start a business. We supply free WiFi, coffee and advice, while entrepreneurs work on their business plans and network. Our workbenches also provide a venue for running specific events of interest to startups.

As Zevo began to grow, Richard needed a larger space for the young company so we suggested he move to our Stephen's Green branch where we provided free private office space in central Dublin for three months. The Zevo Health team now consists of 14 health care professionals delivering online programmes and workshops designed to improve mental and physical health in the workplace, as well as a team of five dedicated to technology systems.

Although Zevo's main operation is in Dublin they are active in multiple European countries and have large technology companies as customers.

“ We measure organisations' needs before we implement a tailored flexible wellness programme and then we continuously measure its effectiveness and propose any changes needed. ”

Richard Murphy, Zevo founder

Support for International Trade

Bank of Ireland supports Foreign Direct Investment (FDI) coming to Ireland and supports its business customers who want to grow overseas.

Supporting Foreign Direct Investment

The Stephen's Green FDI Hub opened its doors in March 2017. More than 30 FDI companies have availed of the space in just under a year, with an increasing demand from UK and International companies since Brexit. The top markets utilising the space include the US, UK, China, Australia, Japan and Canada. The Hub provides complimentary office and meeting space for international companies planning to set up in Ireland. Bank of Ireland is the first and only Irish bank offering this service to FDI companies.

Making and receiving foreign payments quickly

FX Pay is an online platform that enables our customers to track exchange rates and make and receive foreign transaction payments quickly. FX Pay combines flexibility and peace of mind for customers, as they know that their transactions are supported by the expertise of our Global Markets dealing desk.



Startlab NYC

In 2017, Bank of Ireland announced the opening of startlab NYC, an incubation space that will support our startup customers seeking to scale their business and enter the US market. The collaborative space, located in Manhattan, is the first offering of its kind from an Irish bank outside of Ireland.

We gave seven scalable technology companies the opportunity to access a free incubation space in New York City for a 12-month period. In addition to working and meeting space, the selected teams received expert mentoring from our dedicated innovation and corporate banking teams, in both Ireland and the US, to help them develop, grow and scale

their business. We worked closely with them to get them on their feet when they arrived, facilitating introductions to venture capitalists, state agencies and relevant intermediaries based in the city.

Dave Tighe, Head of Innovation, Bank of Ireland, said, **"Moving into the American market can be a daunting experience for an Irish startup. Our team in New York, along with our Innovation Team and Technology Sector specialists in Dublin, will give the seven companies who join startlab NYC all the support they need to scale their business, seek investment and – ultimately – grow and succeed Stateside."**

Providing finance for housing and infrastructure

Bank of Ireland works in partnership with business customers who are trying to tackle some of Ireland's major infrastructural challenges. Two of the most pressing issues are the housing shortage and the demand for renewable energy.

Responding to Ireland's housing shortage

At the end of 2017, we had funding in place to support the delivery of 3,300 housing units and over 1,250 student beds to help provide much-needed accommodation in Ireland. Our strategy is to support customers who want to build houses by enabling them to acquire 'shovel ready' land, so that housing gets built rather than the land being hoarded. To support our business customers, we now have a €1 billion fund available for property development lending.

Supporting renewable energy projects

Bank of Ireland is a leading financier in the renewable energy sector. We provide support to develop a range of projects including wind farms and 'waste to energy'. Bank of Ireland Project Finance has supported projects that have a total capacity of approximately 553 MW. This is enough to power 360,000 homes and saves almost 568,000 tonnes of CO₂ emissions each year.

3,300 housing units

and over **1,250** student beds funded, to help provide much-needed accommodation in Ireland.



553 MW Capacity

Enough to power **360,000 homes** and save almost **568,000 tonnes of CO₂ emissions each year.**



Supporting renewable energy projects

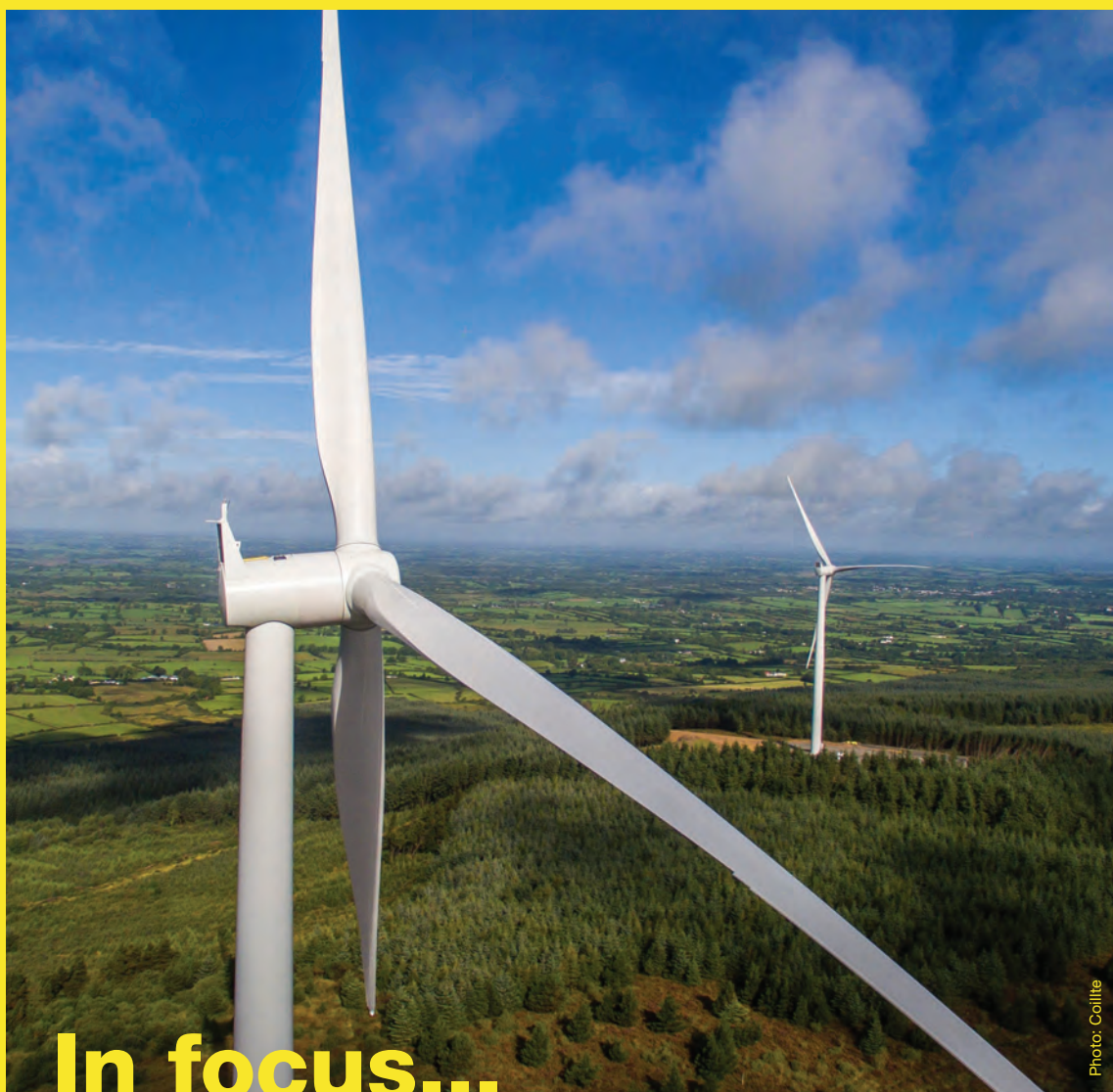


Photo: Coillte

In focus...

Sliabh Bawn Wind Farm

Sliabh Bawn Wind Farm, part-funded by Bank of Ireland, is a 50:50 joint venture project between Coillte and Bord na Móna, located five kilometres south-east of Strokestown, Co. Roscommon, on Sliabh Bawn mountain.

Operational since March 2017, Sliabh Bawn Wind Farm consists of 20 wind turbines and a substation, supplying 58 Megawatts of electricity - enough to power approximately 38,000 households. As well as providing clean energy for homes, the wind farm supplies power to farms, hospitals, schools and businesses. Sliabh Bawn also includes a community

benefit scheme which delivers improved local amenities, recreational facilities and support for local projects.

The wind farm is located on Coillte land and was originated and developed by Coillte as part of its commitment to renewable energy, using its estate to deliver on Ireland's renewable energy objectives. Located in an area where Bord na Móna has a longstanding operational footprint and community relationship, the Sliabh Bawn project forms part of the company's development of renewable energy assets across Ireland.



Engaging our colleagues...

Page 38



Supporting inclusion and diversity...

Page 39



Developing the capability and skills of our colleagues...

Page 45



Supporting the wellbeing of our colleagues...

Page 46



Colleagues

Enabling colleagues to thrive

The second part of our purpose is to 'enable our colleagues to thrive'. We strive to ensure that our colleagues are engaged and have the skills and capabilities to serve our customers brilliantly and help our communities to thrive. At the same time, we are working hard to make our workplace more inclusive and diverse, where our colleagues can be themselves and perform to their full potential. We enable colleagues to support each other through a range of employee support networks and help them to manage their mental and physical wellbeing.

Responsible
Business

Engaging our colleagues

A new purpose and new values

2017 was a defining year for our colleagues. It marked the beginning of a new company culture, driven by our purpose, ‘enabling our customers, colleagues and communities to thrive’. Our purpose is ‘why’ we are in business and our values are how we get to the ‘why’ – by being customer-focused, accountable, agile and operating as one Group, one team. We can all help achieve our purpose by living the behaviours that enhance our values.



Our Purpose and Values

For more details please see page 6



Listening to our colleagues

In order to help our colleagues to thrive, we first needed to know how our colleagues felt about working in Bank of Ireland. In October, we launched Open Door. These are informal meetings between colleagues and our Group CEO to discuss what’s working well and what we could do better. We also launched Open View, a Group-wide survey which encouraged them to share what it is like to work at Bank of Ireland, what is on their minds and what matters to them. 72% of our colleagues took part in the survey, which was managed by an independent research agency to ensure confidentiality, providing a picture of our strengths and where we could improve.



How engaged do our colleagues feel?

66% said they enjoyed working at Bank of Ireland, but fewer colleagues, only 50%, felt engaged. Engagement measures how our colleagues feel about working here. It is driven by pride, advocacy, commitment and belief in Bank of Ireland.

Do they feel they do what’s best for customers?

Our colleagues said they want to do what’s best for our customers and 80% of them said they are encouraged to do so by their managers. However, colleagues also recognised that our ways of working can sometimes get in the way. Only 15% said they thought we were good at putting our ideas into action quickly.

72%
took part in
the survey

50%
felt engaged

What is it like to work in Bank of Ireland?

Colleagues said they had good relationships with their managers. 79% felt respected and recognised for great work. 69% felt encouraged to share feedback and opinions. 60% felt that their managers were comfortable with challenge but only 49% felt they could share opinions in a safe environment.

79%
felt respected
and recognised
for great work

Responding to the results

Leaders are taking time to review and reflect on the results with their teams and to really understand what they mean for colleagues in each area of the business. Colleagues are encouraged to share their thoughts on the results, and to let us know where we can do better. Colleagues will be involved in co-creating team action plans, helping to make Bank of Ireland Group a better place to work. Throughout the year, we will have two further snapshot surveys, to explore some key themes and topics in more depth.

60%
felt that their
managers were
comfortable with
challenge

Supporting inclusion and diversity

We are committed to creating an inclusive and diverse place to work where our colleagues can be themselves and perform to their full potential. We want to attract, promote and retain diverse talent at all levels, to create a more innovative and high-performing company that can enable our customers, colleagues and communities to thrive.

‘Many Voices: One Bank’

Our inclusion and diversity strategy, ‘Many Voices: One Bank’, focuses on valuing and celebrating diversity within our workforce, reflecting the communities in which we operate; an inclusive culture, which values diverse talents and recognises the unique needs of our colleagues, and an organisation that meets the needs of all customers, engaging the community and interacting with a diverse range of suppliers.

Listening to what colleagues want

We listened to hundreds of colleagues who took part in focus groups, workshops, planning meetings and events, to develop our priorities for our Many Voices: One Bank plan. The top three actions that colleagues suggested we take were;

- **to set up employee support networks,**
- **make agile and flexible working arrangements clearer,**
- **have regular events to raise awareness about inclusion and diversity.**

Governance of Many Voices: One Bank

We created an Inclusion & Diversity Council in 2017, comprising senior management from all parts of the Group, to oversee the implementation of our Many Voices: One Bank plan. The Council meets every two months and its work is supported by our Inclusion & Diversity Lead.

Raising our awareness

Throughout 2017, our colleagues participated in events to promote diversity. These included International Women's Day, Pride, International Day for Persons with Disabilities and Gender Balance Network activation. Inclusive leadership workshops were completed by the Group Executive Committee and their teams, to reinforce understanding of the principles of Inclusion and Diversity in daily work. We also provided training to raise awareness of how best to manage unconscious bias.

Employee support networks

The feedback we got from our colleagues encouraged us to establish a range of employee support networks in 2017. Each Network is led by colleagues and sponsored by senior management from across the Group. The networks enable people with similar interests and characteristics to share their experiences and collaborate on business challenges.



Multicultural

Our Multicultural Network raises awareness and leverages the power of cultural and ethnic diversity among our workforce and communities.



With Pride

Our *With Pride* LGBT+ Network drives representation and inclusion of lesbian, gay, bisexual, transgender and ally communities, to build empowerment, the sense of belonging, and connections between communities.



Intergenerational

Our Intergenerational Network promotes greater understanding, appreciation, and engagement among colleagues of all generations.



Parents & Carers

Our Parents and Carers Network provides support, guidance and resources on balancing parenting and caring responsibilities.



Gender Balance

Our Gender Balance Network empowers both men and women to achieve business opportunities and results through balanced gender representation.



Accessibility

Our Accessibility Network enables customers, colleagues and communities to thrive from the perspective of accessibility and disability inclusion.

“...to build empowerment, the sense of belonging, and connections between communities.”



The '*With Pride*' Network

The ***With Pride*** Network was officially launched in the House of Lords, College Green, during Dublin Pride Festival 2017. During the event, the iconic Pride flag was raised over the building as a mark of support for all friends, allies and members of the LGBT+ community. Bank of Ireland was delighted to continue its sponsorship of Dublin, Cork and Galway Pride Festivals, and colleagues, along with friends and family, walked in the parades. We are also proud to be amongst the founding members of OUTstanding and Financial Services Inclusion Network (FuSiON) in Ireland.



In focus...

Extracts from an interview with Gerry Ellis by Sinéad Burke

People sometimes ask me, “Gerry, do you like to be known as vision impaired, sight impaired, having sight loss or blind?” I always respond with, “I like to be known as Gerry.”

I have worked in Bank of Ireland for over 30 years. At first, the notion that disabled people could work at a high level in the technology industry was questioned by some. “How can you use a computer if you can’t see the screen?” they would ask. Technology itself has been the answer to that and many more questions, leading me to both economic and social independence.

I believe that I can bring the benefits of my wide international experiences to the Bank, and the inclusion and diversity work offers an excellent opportunity to do so. We can learn from international best practice and demonstrate that this work is not only the right thing to do, but the economically prudent thing to do.

The more that the needs of persons with disabilities are built into mainstream products and services, the easier it will become for them to be economically and socially active, thus contributing to the strength and diversity of their communities.

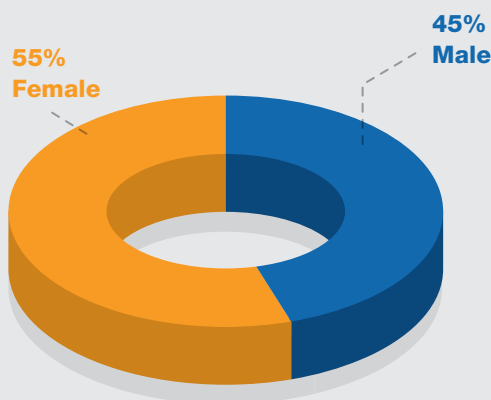
Gerry Ellis is the Chairperson of our Accessibility Network. Sinéad Burke, academic, writer and advocate interviewed seven of our colleagues on their ‘lived experience’ covering gender balance, parents & carers, LGBT+, multiculturalism, accessibility and intergenerational working. These stories can be found on our website.

Gender balance

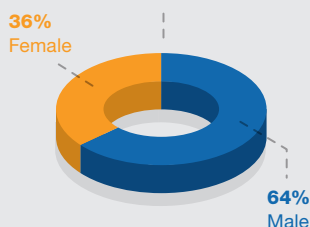
Improving our gender balance

We are committed to building greater gender balance within our management and leadership population. Overall, we have a 55:45 female to male ratio, but this is not reflected in our management teams. Our management and leadership population (defined as bands 4-7) is 36% female and there are steps we can take to address this.

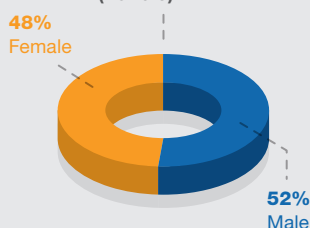
Bank of Ireland female to male ratio



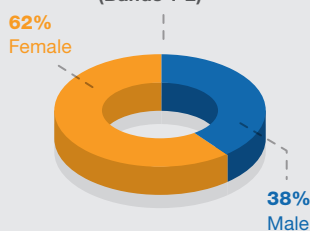
Management & Leadership level (Bands 4-7)



Middle level (Band 3)



Junior level (Bands 1-2)

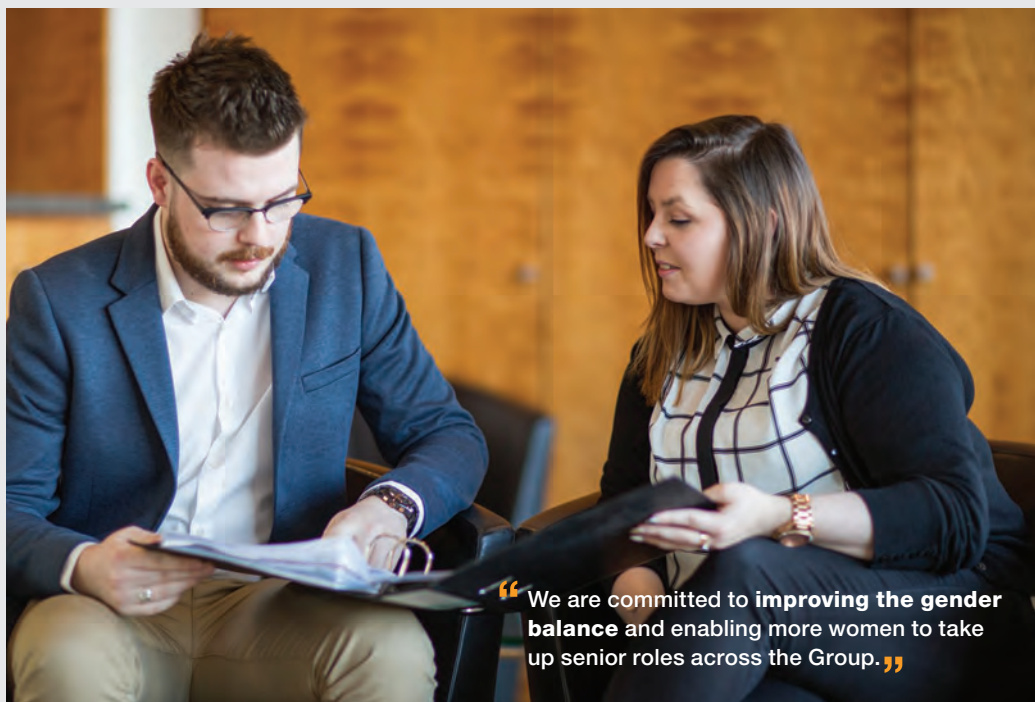


Our commitment

We have set ourselves a new goal – for all Management and Leadership, appointments will represent a 50:50 gender ratio by end 2021. We believe that this commitment, together with a range of other initiatives, will help to improve the gender balance of senior management across the Bank in the longer term. It is a sustainable approach that will allow us focus on fostering the talent pipeline and encourage the full potential of all colleagues. We will report our progress towards this goal each year.

Gender balance initiatives

We are equipping women with the skills, capabilities and confidence to progress their career in the Bank, through a nine-month development and mentoring Accelerate programme. This includes modules such as 'building superior confidence' and 'boardroom expectations and future readiness'. A number of colleagues from across the Group are currently participating in this programme. We are increasing the proportion of female graduates on our award-winning graduate programme, to reflect gender balance in our early talent pipeline. We are also introducing mentoring programmes and a Group-wide policy on flexible working arrangements. And we are continuing to promote our employee support networks, one of which is a Gender Balance Network.



“We are committed to **improving the gender balance** and enabling more women to take up senior roles across the Group.”

Gender balance partnerships

In 2017, we joined the 30% Club - an organisation committed to better gender balance at all levels of member organisations - in Ireland. The 30% Club also believes that gender balance on boards not only encourages better leadership and governance, but ultimately increases corporate performance for both companies and their shareholders. We have also signed up to the HM Treasury's Women in Finance Charter in the UK, a pledge to promote gender diversity and work together to build gender balance across financial services.

The Gender Pay Gap

The Gender Pay Gap is the difference in the average gross hourly wage between men and women, irrespective of their role or level within the organisation.

In the UK, from 2017, any organisation with 250 or more employees must publish and report specific figures about their Gender Pay Gap every year. We welcome this requirement for large employers to be more transparent on gender pay, and the Gender Pay Gap report for our UK business is now available on our website.

We also recognise the growing momentum that this issue is gaining in Ireland. A commitment to take measures to reduce the Gender Pay Gap was included in the Programme for a Partnership Government, and the Irish Human Rights and Equality Commission (Gender Pay Gap Information) Bill is currently before the Oireachtas.

We look forward to the outcome of this process and the subsequent measures which will be put in place to address the Gender Pay Gap in Ireland.

Developing the capability and skills of our colleagues

Our learning model

To enable our colleagues and ultimately our customers to thrive, we invest approximately 2% of payroll, or €15.2m, each year in learning and development. We introduced our new Learning Management System in July 2017, providing agile learning opportunities to all employees, 24/7, through digital devices.

During 2017 we continued to support colleagues to study for Third Level qualifications. We also did a complete review of our training curriculum, updating and refreshing it to reflect our changing organisation, as well as changes in the external market, the regulatory environment and our customer's needs.



Supporting the wellbeing of our colleagues

Be At Your Best

Be At Your Best (BAYB), is a wellbeing programme that helps colleagues support their physical health and mental wellbeing, while taking positive steps in their careers. It's about empowering our colleagues to take the time to invest in themselves, challenge their limitations and reach their highest potential.

BAYB Body

BAYB Body supports healthy living and increased activity through education, information and events. Below are some of the activities that took place in 2017.

KickStart 2017

Over 1,200 colleagues registered for KickStart 2017, a six-week programme beginning in January, which saw participants improve their fitness, shed pounds and improve their culinary skills.

Trail Trekker

More than 800 colleagues took part in Trail Trekker, walking a total of over 9,600km at seven locations across Ireland, Northern Ireland and Great Britain.

Couch to 5k

Our biggest annual BAYB Body event is our **Couch to 5K** challenge, which is targeted at walkers, joggers and runners at all fitness levels, especially those who might not currently exercise. In 2017, over 1,400 colleagues, family and friends took part at 11 different locations in Ireland and the UK.

BAYB Mind

BAYB Mind supports colleagues to build their resilience and look after their mental health. The following three BAYB Mind initiatives took place in 2017.

Mind Ur Buddy

Under the Mind Ur Buddy initiative, colleagues are trained by qualified and experienced therapists to become Buddy Support People and to offer short-term, confidential help to their co-workers when they need support. In 2017, 64 trained Buddies were available to support their colleagues at times of stress.

Mental Health Awareness Week

On 9 October, we celebrated World Mental Health Day and organised a week of activities to coincide. These included a series of talks and events to help raise awareness of the importance of mental wellbeing, foster a culture of open conversations about mental health, and highlight the services available to colleagues, family and friends who might be facing a personal or work-related difficulty.

Be Our Inspiration

Our second Be Our Inspiration Showcase finale was performed in Dublin and in Cork in 2017. 34 colleagues took part in a life-changing journey, during which they committed to learning a new skill during the year, while raising over €270k for charity.

Body & Mind

Give Together

For more details please see page 52





“...to explore something I didn't know was within me and go for it.”

Angela Leigh-Doyle

In focus...

Be At Your Best...

Angela Leigh-Doyle discusses Be At Your Best

'I'm a bit of a joiner of things, I find the Bank provides us with opportunities and I take them,' says Angie Leigh-Doyle, who not only threw herself enthusiastically into Be At Your Best (BAYB) from its launch in 2014, but also took part in the Be Our Inspiration Showcase finale in 2017.

BAYB supports our colleagues to improve themselves by taking part in Body, Mind and Career challenges. 'I did many of the BAYB Body stream challenges, like the Couch to 5k run, which made me feel good about myself and that raised my confidence,' she says. Getting fitter made her more open to make other changes in her life. She went on to

study for her professional banking exams under the Career stream, and benefited from stress management talks under the Mind stream.

Be Our Inspiration gave Angie the opportunity to build on her BAYB experiences to 'explore something I didn't know was within me and go for it.' She had long wanted to write poetry. Be Our Inspiration enabled her to attend writing workshops and to learn her craft prior to doing a reading to an audience of 1,700 colleagues. The artistic collaboration with colleagues Tanya Rice, (performing sign language) and Aoibhlinn Blanchfield (on violin) brought a special dimension. The response they got was 'unbelievably positive'.



In focus

Bank Notes Choir

Following successful Christmas choirs in previous years, our colleagues formed an 'all year round' choir, the Bank Notes, in September 2017. A core group of 30 colleagues turned up weekly for rehearsals, between September and Christmas, and performed at seven different events, directed by Ivan McKenna.

'I decided to join because it was something different and it's been really positive,' says Yvonne Freely. 'I met a load of people from across the Group and our director, Ivan, was a massive help. He has huge experience but he was also really encouraging.'

Sabrina de Souza from Bank Notes said, 'I used to sing in a choir for a while when I was a child in Brazil, but this is my first experience here in Ireland and it's been brilliant (although I'm actually a rock singer to be honest with you!)

'I used to be part of a folk group for about 10 years when I was in my late teens,' revealed Frank Ward. 'I joined up and reconnected with people from across the Group that I hadn't seen in ages. It was pretty daunting standing up in front of colleagues and singing, but once you get over the nerves it's fine.'

“ I decided to join because it was something different and it's been really positive. ”

Yvonne Freely

BAYB Career

BAYB Career supports colleagues to take ownership of their professional wellbeing, through awareness, support and recognition. Some of the initiatives that were supported under BAYB career in 2017 include:

Career Portal

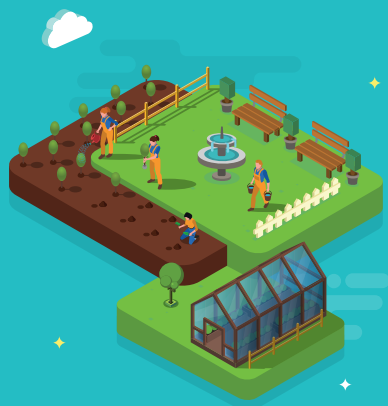
Our online Career Portal provides colleagues with a wide range of resources to help them take ownership of their career development. Through Discover, Plan, Learn and Act colleagues can find help on how to plan their career journey, access courses, articles and tutorials.

Investing in Professionalism

The capability and professionalism of our people is a key asset in our businesses and a driver of the Group's success into the future. During 2017, we continued to invest in supporting colleagues with their professional development. Aligned to our Career and Reward Framework, we approved c.1,500 applications under the Group Education Scheme for individuals commencing 3rd level programmes. We also recognised the achievement of c.1,900 colleagues who successfully completed their programmes and attained professional qualifications during the year.

“It's about **empowering our colleagues** to take the time to invest in themselves, challenge their limitations and reach their highest potential.”





Supporting good causes...

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Arts and culture...

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Our role in society...

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Communities

Enabling communities to thrive

The third part of our purpose is to 'enable our communities to thrive'. Our communities are those in which we live and work, and also include other groups, both local and global, such as our partners, shareholders, regulators and government. We support the wider community through our charity and community initiatives, our contribution to arts and culture, and by playing an active role in society.

Responsible
Business

Supporting good causes

Give Together, our charity and community investment initiative, enables our colleagues to take one day's paid volunteering leave a year, matches the funds they raise for good causes, and facilitates payroll-giving. Total charitable giving, in 2017, was €2.8m and over 1,300 colleagues took a volunteer day. We also recorded the highest level of employee fundraising for the fourth year running, in the Business Impact Map published by Business in the Community Ireland. We have recently joined the London Benchmarking Group (LBG) network which will allow us to manage, assess and internationally benchmark our corporate community investment and improve our reporting in this area.

In 2017, we welcomed our new flagship charity partners:

Age Action

Age Action aims to make Ireland the best place in the world in which to grow older. Our partnership with Age Action supports older people to remain active in their communities and to stay connected. It combines volunteering, fundraising and financial support, as well as providing venues for Age Action's *Getting Started* computer training programme which is supported by our Digital Arrows.

The Jack & Jill Children's Foundation

The Jack & Jill Children's Foundation provides direct funding to families of children with life-limiting conditions to enable them to afford home nursing care. It also provides end-of-life care to all children up to the age of five years. Through our partnership with Jack & Jill, we are providing funding for 20,000 nursing hours for Jack & Jill families across Ireland. Already the Jack & Jill Children's Foundation has received support that provided 7,000 nursing hours to families.

The Irish Heart Foundation

The Irish Heart Foundation is Ireland's national heart and stroke charity. Through our partnership with the Irish Heart Foundation, we are bringing lifesaving CPR training to students in 400 second level schools throughout Ireland as part of Irish Heart's 'CPR 4 Schools' programme. Already 216 schools have received this training throughout Ireland.

Alzheimer's Society

The Alzheimer's Society is the UK's leading dementia support and research charity, supporting people affected by any form of dementia in England, Wales and Northern Ireland. Our partnership with the Alzheimer's Society aims at increasing awareness of dementia among our colleagues and supporting their work in their 'Side by Side' volunteering project.

Supporting good causes



10 years of Give Together

In 2017, we celebrated 10 years of Give Together our charity and community investment initiative. Since its launch in 2007, Give Together has raised €33.6million and resulted in 8,700 volunteer days of support for good causes in our communities. We marked the achievements of our colleagues over the last decade with a series of celebratory events and used the opportunity to introduce our new flagship charities to our colleagues.

10 Years of Give Together



Bernie McHale and Miriam Byrne from Bank of Ireland and expert gardener Tom Fitzgerald help out during the Backyard Blitz

The Great Bank of Ireland Backyard Blitz

In July 2017, our charity partner, Age Action, matched over 300 of our colleagues with older people who wanted to keep their gardens in shape but needed a bit of help to do it.

During the two-day initiative, the volunteers were organised into teams that helped maintain over 125 gardens in Dublin, Cork and Galway. No job was too big or too small for the volunteers who took part in 'The Great Bank of Ireland Backyard Blitz'. Every weed pulled, lawn cut and shrub pruned meant a lot to the older people who needed a helping hand to get jobs done.

Justin Moran, from Age Action, said that the charity was delighted to team up with Bank of Ireland and that demand from Age Action clients for 'the Great Bank of Ireland Backyard Blitz' was 'unbelievable'. Prior to the event there was 'huge excitement about teams of volunteers coming to help out', and on the day the volunteers got a very warm welcome.



321 Volunteers and garden experts

125 Gardens

1,041 Cups of tea

11,990 Metres squared grass cut

2,003 Metres squared weeds pulled

4,572 Metres squared paving washed

7,426 Shrubs pruned

Skills-based volunteering

We encourage our flagship charities to ask us for help in areas where we have skilled colleagues willing to lend a hand. An example of this was Jack & Jill's 'Up the Hill' fundraising campaign. After a successful first year, the campaign needed a boost as the total raised had fallen. Our marketing team worked in collaboration with the Jack & Jill team to freshen up the campaign, design a new digital registration platform and offer them free advertising space. The redesigned event attracted double the participants of the previous year, helping to promote Jack & Jill, and raise much-needed funds for families requiring home nursing care for their children. **"Our 'Up the Hill' campaign now has a model on which to grow substantially,"** said Hugo Jellet, CEO, The Jack & Jill Children's Foundation.

"Double the number of people took part in the 2017 event, raising over €80,000 which has paid for over 5,000 nursing hours for families."



Tom O'Leary with his parents Catherine and John at the launch of Up the Hill for Jack & Jill

Up the Hill for Jack & Jill

Tom O'Leary was born with an extremely rare chromosome disorder and a heart condition. "There's nothing like homecare", Catherine, Tom's mother, says. Homecare nurses provided free by Jack & Jill means that Catherine and her family are able to look after Tom at home.

Up the Hill for Jack & Jill raised over €80,000 in 2017, paying for over 5,000 nursing hours for families like the O'Learys.

Raising funds for charities

Step Climb Challenge

Our colleagues in London, Bristol and Belfast took to the stairs in December 2017 to complete the Step Climb Challenge fundraiser for the Alzheimer's Society. The goal was to climb a total of 61,000 steps, representing the number of people who died from dementia across the UK last year. Our colleagues climbed the stairs in each location, as many times as they could, resulting in a total of 206,608 steps climbed and total fundraising of over £26,000 towards the Alzheimer's Society's 'Side by Side' service, to provide companionship and support to people with dementia.



“Small changes make a big difference”

Lorraine Megahey,
Bank of Ireland Belfast

Dementia Friends

In 2017, Bank of Ireland UK developed the Dementia Friends Information Session in partnership with the Alzheimer's Society. This unique online training session takes just 20 minutes to complete and enables our colleagues to become a Dementia Friend.

Lorraine Megahey, who works in our Credit Department in Belfast, was just one of our colleagues who signed up and completed the training. “In 2016,” she says, “my mother-in-law was diagnosed with Alzheimer's and

whilst the early warning signs had been there for a while, it was very difficult for her and the family to accept the diagnosis.”

Lorraine found that the training “provided a great insight into the symptoms of Alzheimer's, the daily obstacles sufferers face, and some very valuable guidance for family members.” Since completing the training, Lorraine has been able to share tips with other family members to make them more aware of the symptoms.

Supporting creative fundraising

Strictly Bol was a Be At Your Best fundraising event for the Irish Heart Foundation that involved six weeks of intensive dance rehearsals for the 38 colleagues who took part. Over 500 colleagues, friends and family gathered to see the dancers showcase the samba, tango and the cha cha cha at Dublin's RDS, raising €44,000 for The Irish Heart Foundation towards its 'CPR 4 Schools' programme. This fundraiser alone has helped to train students in 73 Second Level schools in lifesaving CPR.

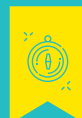
Enabling payroll giving

Our colleagues have given generously down through the years to projects overseas, through monthly payroll deductions. The Bank of Ireland Staff Third World Fund was founded by our colleagues in 1982 to support sustainable projects in developing countries in partnership with trusted charities. For 35 years, current and retired colleagues have contributed to the fund, donating over €20m to more than 1,250 projects, and positively impacting over a million lives in developing communities. Projects supported by the Fund include improving healthcare, providing education, supplying fresh water and sanitation, and building homes and bridges.

All the administration costs of the Bank of Ireland Staff Third World Fund are covered by the Bank, so that 100% of funds collected go to deserving causes. In 2017, the total funding given to 44 projects came to €707,330. The Fund depends on new regular contributors for its future sustainability, and in October 2017, an additional 400 colleagues signed up to donate money regularly following a successful campaign across our locations in Ireland and the UK.

Be At Your Best

For more details please see page 46



Practical support for charities and communities

Reduced current account fees

As well as supporting charities through volunteering and fundraising, we also serve thousands of charity and not-for-profit customers. We halve our current account fees and charges for them. This can represent a significant saving for not-for-profit organisations, many of which rely on small, regular donations to their bank accounts to deliver essential services to the communities they serve. We applied these discounts to our charity customers in Ireland and Northern Ireland, in 2017, saving them approximately €2.9m.

Training and professional development

Resources can be limited for staff training and development in the charitable sector. For the past six years, we have offered one-day training courses to community groups and charities in partnership with Business in the Community Ireland. In 2017, we welcomed 160 charity employees to our learning centre in Dublin for facilitator-led training in a number of different areas, including negotiation, leadership development, people management and PC skills.

Responsible
Business



In focus

Francesca McDonagh, Group CEO, Bank of Ireland; Marie Heaney, wife of Seamus Heaney; Dr Sandra Collins, Director of the National Library of Ireland; Josepha Madigan TD, Minister for Culture, Heritage and the Gaeltacht and Paul Shovlin, Chairman National Library at the announcement of the Bank of Ireland Cultural and Heritage Centre (Photo: Mark Stedman)

Arts and Culture

Bank of Ireland Cultural and Heritage Centre

Our buildings on College Green are an important part of Ireland's history and heritage. The original building was designed as the world's first purpose-built two-chamber parliament house and has been in continuous use as our flagship branch since 1803. The House of Lords has been preserved intact since its earliest days as a debating chamber, and is open to the public for tours and events.

In December 2017 we were delighted to announce the Bank of Ireland Cultural and Heritage Centre, which will open to the public in summer 2018 in our College Green buildings. The centre will open with a major international exhibition *Seamus Heaney: Listen Now Again* telling the story of the work of the Nobel Laureate and one of Ireland's best loved poets.

“The Bank of Ireland Cultural and Heritage Centre will open to the public in summer 2018.”



In focus

Bank of Ireland Junk Kouture

Bank of Ireland Junk Kouture is a design competition that encourages second level school students from Ireland and Northern Ireland to create unique outfits designed exclusively from recycled materials. In 2017, 1,500 outfits were entered into the competition from over 400 secondary schools. *Enigmatic*, from Scoil Mhuire Secondary School, Buncrana, designed and modelled by Marius Mahon, won the overall prize.

In September, Bank of Ireland Junk Kouture won Best Long Term Partnership at the Allianz Business to Arts Awards, championing the spirit of collaboration between businesses, artists and arts organisations in Ireland. The awards demonstrate that the sometimes diverse worlds of business and the arts can come together to create initiatives which enhance the overall artistic and cultural value of society.

“ In 2017, **1,500 outfits** were entered into the competition from over **400 secondary schools** ”



Stephen Archer signing autographs at Bank of Ireland's Summer Camp in Highfield RFC, Cork. (Photo: INPHO/Cathal Noonan)

Sponsorship

Sponsorship

We have been supporting the communities in which we operate for decades, through meaningful sponsorships that cover a mix of sports, entertainment and other passions that our customers, colleagues and communities really care about. Through our community sponsorships in rugby, soccer, GAA, golf and other areas, **we aim to stimulate positive, memorable and moving experiences across the more than 5,200 sports clubs we support**, and to help people in these clubs live better lives by bringing their passions to life in a healthy way.

As official sponsors of Leinster, Munster and Ulster rugby, we recognise the benefits that flow from our commercial partnerships. They are also a force for good in our communities, as funding support is given to clubs to invest in the grassroots, not just in the professional game. We invest from the grassroots up because we want to create lasting legacies, to grow and engage future generations – from **primary and secondary school communities** at the heart of the sports that we support, to celebrating world class Irish sporting heroes like Seán O'Brien and Shane Lowry, inspiring the next generation in our society.

Our role in society

Our direct economic impact

Through our own activities and those of our customers, as well as the jobs we create and the taxes we pay, we make a significant contribution to the communities we serve in Ireland, the UK, France, Germany and the USA. Our footprint benefits both the economy and wider society. In 2017, Bank of Ireland provided c. €14.1bn in new lending, spent c. €1.1bn on goods and services, employed over 11,000 people and paid c. €0.33bn in taxes to the Irish and UK exchequers.

Providing advice to our community

We frequently publish research to provide insight and enhance decision-making for stakeholders.

We produce independent thought-leading research that helps positively shape the communities in which we operate. We make this research available to the public so that everyone can access and benefit from it, including;

The Bank of Ireland Economic Pulse

The Bank of Ireland Economic Pulse charts changes in sentiment driven by economic and political events. The surveys are conducted in partnership with the European Commission, with the data feeding into a Europe-wide study running since the 1960s. The fieldwork for the surveys is conducted by Ipsos MRBI on behalf of Bank of Ireland, with 1,000 households and over 2,000 businesses around the country. Views are sought on a range of topics, including the economy, household finances, spending plans, house price expectations, business activity and jobs, the results of which are published monthly. Insights on topical issues like Brexit and regional infrastructure are also provided.

The Bank of Ireland/ESRI Savings and Investment Index

The Bank of Ireland/ESRI Savings and Investment Index tracks households' attitudes towards savings and investment, as well as monitoring their perspectives on the current and future savings and investment environment. Monitoring household investment patterns gives an understanding of how they are putting their money to work, their financial diversification, and their appetite for risk. The Bank of Ireland/ESRI Savings and Investment Index also provides a Risk Barometer and a Retirement Optimism Index, to give insight into household risk taking and retirement planning. These are presented on alternate months.

Participating in our community

Exercising good corporate citizenship

We actively engage with, and participate in local and national organisations which are focussed on the promotion of the business, economic, social and cultural life of the communities in which we serve.

National CSR Stakeholder Forum

Bank of Ireland is an active member of the National CSR Stakeholder Forum, tasked with implementation of Ireland's National Plan on CSR 2017 - 2020 "Towards Responsible Business".

Supporting rural communities

Bank of Ireland is one of the main supporters of the Strategic Banking Corporation of Ireland's (SBCI) Agricultural Cashflow Support Loan Scheme. The loans provided under the scheme enable farmers to plan and budget more effectively, by providing an attractive cash flow support loan product as an alternative to more expensive forms of credit, such as merchant credit and bank overdraft facilities.

“...focussed on the promotion of the business, economic, social and cultural life of the communities in which we serve.”





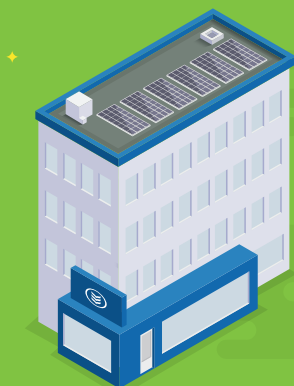
**Holding ourselves
to high standards...**

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**Managing our
impact on the
environment...**

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**Sourcing
Responsibly...**

Page 67



**Operating
Responsibly**

Operating Responsibly

In order to enable our customers, colleagues and communities to thrive, we must work to high standards. Our Code of Conduct defines the way we work, while our Speak Up policy spells out clearly how colleagues can call attention to any behaviour that falls short of our expectations for each other. We take seriously our responsibility to manage our impact on the environment and take the necessary steps to source goods and services responsibly across our supply chain.

**Responsible
Business**

Holding ourselves to high standards

We are committed to making sure that all our colleagues demonstrate the highest standards of ethical behaviour, in line with the expectations of our customers, colleagues and communities, including regulators, shareholders, government, and employee bodies.

Code of Conduct

We specify the standards of behaviour we expect from all our colleagues in our Group Code of Conduct. The Code puts our customers at the heart of everything we do and is key to creating a culture that enables customers, colleagues and communities to thrive. It reinforces the need to treat customers fairly and communicate with them in a clear, open and honest way. It also requires us to put things right if we don't meet a customer's expectations first time, and to promptly let customers know what we are doing in response to complaints they raise. Colleagues are required to complete mandatory annual training to ensure they are fully aware of their obligations under the Code.

Speak-Up policy

To help ensure that we embed the Code of Conduct in every aspect of our business, we encourage and support our colleagues to follow our Speak Up policy and speak out if they witness wrongdoing or malpractice. An independent confidential advice line is available to any colleague who wishes to raise a concern. We understand that our colleagues might feel anxious about raising an issue, especially if they feel it is only a suspicion or that they are being disloyal to colleagues if they mention it. With this in mind, we reassure them that if they raise a genuine concern they will not be at risk of losing their job or suffering any form of retribution as a result.

Integrity and honesty

The Group has an Anti-Bribery and Corruption Policy Standard in place, which aims to promote awareness amongst colleagues that they are expected to act with integrity and honesty at all times in their dealings with business and commercial partners. This reiterates the Group's ethical and regulatory obligations to effectively manage bribery and corruption risks. In 2017, we launched a mandatory online training module to support colleagues in understanding their obligations and in particular to highlight the risks that relevant colleagues could face in their daily engagements.

Anti-Money Laundering, Countering the Financing of Terrorism, and Financial Sanctions

In May 2017, Bank of Ireland was fined by The Central Bank of Ireland for breaches of the Criminal Justice (Money Laundering & Terrorist Financing) Act, 2010. Bank of Ireland takes its regulatory obligations seriously and we regret that these issues arose. We have co-operated fully with the Central Bank throughout this investigation and have completed a comprehensive multi-year programme of work to anticipate future legislative requirements, while also addressing these issues.

Our policies on Anti-Money Laundering, Sanctions and Countering the Financing of Terrorism have been strengthened and set out the standards needed to ensure that the Group meets its legislative and regulatory requirements in respect of key risks in this area. All our colleagues are required to complete mandatory web-based training and pass the examination assessment.

Read more about our governance and fulfillment of our regulatory responsibilities in our 2017 Annual Report.

Managing our impact on the environment

We are committed to reducing the impact that our operations have on the environment. Our environment and energy policies guide our activities and actions and we apply a 'Plan-Do-Check-Act' model through the use of the recognised environmental and energy management systems, ISO 14001 and ISO 50001.

Environmental management

Our environmental policy demonstrates our commitment to responsible resource consumption, pollution prevention and awareness raising among our colleagues. During 2017, we transitioned to the latest version of the Standard ISO 14001:2015 and started a programme of audits, while continuing to expand its scope from our Operations Centre in Cabinteely.

Our 2018 target is that the entire Bank of Ireland building portfolio, across the three principal jurisdictions in which we operate in Ireland, Northern Ireland and Great Britain, will be certified to ISO 14001. With a special focus on waste management, our planned initiatives include removing all polystyrene, promoting best practice in kitchen waste, improving signage and running internal roadshows to promote waste separation, raising awareness of waste reduction targets by site, and replacing disposable coffee cups with "keep cups".

Managing our use of energy

Reducing the energy we use and increasing our energy efficiency is a key focus of our energy management, and ISO 50001 is the key tool we use in order to use less energy and reduce our CO₂ emissions. ISO 50001 helps us to:

- Measure all significant energy use so we can analyse it and make sure it is appropriate.
- Identify key internal and external stakeholders who have an impact on energy use.
- Look for opportunities to improve and reduce our use of energy.
- Have a communications framework that helps get the message across to our stakeholders.
- Make energy efficiency a key selection criterion when we buy new plant and equipment.
- Upskill those involved in running the management system.
- Ensure senior management oversight of the energy management programme.
- Ensure legal compliance by maintaining a legal register.

Expanding our commitment to energy management

By the end of 2017, we had 54% of our total electrical energy use and 71% of our total natural gas use under ISO 50001 energy management, which is externally audited.

From 2011 to 2017, our energy management programme **reduced our CO₂ emissions by 24%**.

Our target for 2018 is to certify our entire Group property portfolio – all our buildings – to ISO 50001 standard.





Managing our Impact in IT Centre Cabinteely

Running our IT centre in Cabinteely requires large amounts of energy. The building was originally designed before the 1970s oil crisis, when building standards were significantly different than today and energy was still comparatively cheap.

From 2006 to 2017, we implemented a wide variety of energy reduction initiatives at the IT Centre, reducing the cost of energy by 50%.

This was one of the first Bank of Ireland buildings to get ISO 50001 accreditation.

One of the major changes we made was replacing the electrically-powered office heating system, which was resulting in significant heat losses. In its place, we installed super-efficient natural gas boilers, which had the **immediate effect of reducing our use of electricity by approximately 35%.**

We also improved the energy efficiency of the building through a number of low-cost initiatives, such as ensuring that the heating and cooling time

schedules matched the times when people were using the building, raising the set point temperature in the computer rooms from 18°C to 23°C, as modern IT equipment is more tolerant of heat, and installing LED lighting in the office areas.

We replaced the air handling units, which provide fresh air and remove stale air from the building, with new units with a low energy demand, and introduced a thermal wheel that reclaims heat from the stale air as it exits and safely transfers it to the incoming fresh air. This reduced the need to use energy to heat incoming fresh air when the weather is cold.

In 2017, we complemented our energy efficiency efforts by installing a 30 kilowatt photovoltaic system on the roof of the building to produce renewable energy. This will lead to an annual reduction in electrical energy of 25,000 kWh, enough power for 10,000 electric kettles for an hour, and a reduction in CO₂ emissions by c. 11 tonnes.

Supporting industry initiatives

We are a member of the Large Industry Energy Network of the Sustainable Energy Authority of Ireland, which brings large companies together to improve energy performance and inspire others by sharing experience. We have participated in the Carbon Disclosure Project for over a decade. We report, as required, through the Carbon Reduction Commitment in the UK and are fully compliant with the requirements of the Energy Savings Opportunity Scheme in the UK. We are also compliant with the Energy Auditing Scheme in Ireland.

Installing energy-efficient equipment

We aim to minimise the impacts of total cost of ownership and lifecycle costs for the majority of our purchases and to consider the impact and risks associated. For example, we specify the heat recovery capability on new air handling units to reduce the amount of energy required to heat the fresh air supply to our buildings. Other examples of equipment that we installed to reduce energy are variable speed drives on pump and fan motors, daylight and motion sensors to control lighting levels, sophisticated oil and gas boiler controls, heat pumps that can provide both heating and cooling, and instantaneous hot water taps that eliminate hot water storage losses.

Sourcing responsibly

As a large business, we support many activities and jobs in supplier companies through our purchases. We recognise the opportunity we have to influence and support these companies to integrate responsible business into their processes. Our Group Procurement Policy sets out a framework for engaging with our suppliers, including the high ethical and procedural standards that we expect. Our supplier due diligence questionnaires and standards assess supplier behaviours and capabilities across a wide range of sustainable business measures, including labour laws. Our sourcing processes prioritise minimising the impacts of total cost of ownership and lifecycle cost for the majority of our purchases, and they also consider the impact and risks associated.

Modern Slavery and Human Trafficking

In accordance with relevant UK legislation, we published our statement on Modern Slavery and Human Trafficking for 2017. The statement sets out the steps and measures we have taken to seek to ensure that modern slavery and human trafficking does not occur within our supply chain or in our business operations. A copy of the statement is published on our website.

External Accreditation

Below is the external accreditation that the Bank has been awarded.

Business Working Responsibly Mark

The Business Working Responsibly Mark is the only independently audited standard for CSR and Sustainability in Ireland. The Mark is audited by the NSAI and based on ISO26000. It is open to both members and non-members of Business in the Community Ireland. Once achieved, it is valid for three years.

ISO 14001, *Environmental Management System*

ISO 14001 Environmental Management System (EMS) is a systematic framework to manage the immediate and long-term environmental impacts of an organisation's products, services and processes. By completing ISO 14001 certification, we can assure stakeholders that our environmental management system meets international industry-specific environmental standards.

ISO 50001, *Energy Management System*

ISO 50001 Energy Management System certification provides a framework for establishing energy management best practice to help organisations to improve their energy efficiency, and also make a return on investment by implementing ISO 50001. The standard enables organisations to establish the systems and processes necessary to improve energy performance, including energy efficiency, use, and consumption.

Active@Work Gold Standard Accreditation

The Irish Heart Foundation's Active@Work programme encourages workplaces to support and motivate employees to get more active. Regular physical activity reduces everyone's risk of heart disease and stroke. Encouraging employees to be active is good for both business and employee health.

Responsible
Business



We want to hear from you

Please get in touch with any feedback or questions you have:

Email: **responsiblebusiness@boi.com**

Twitter: **@talktoBOI**

Facebook: **BankofIreland**

Find out more

For more information and to download this *Report*, please visit our website: www.bankofireland.com/responsiblebusiness

Responsible Business Report 2017

Furthering our commitment to the environment, we have designed the *Report* publication to the bespoke dimensions of 243mm high by 165mm wide to facilitate 17% less wastage in comparison to previous *Reports* at the standard A4 format.

In addition to the above, this year we have produced fewer printed copies of the *Report*, utilising online resources to increase impact and engagement, furthering our focus on sustainability.

This *Report* is produced with environmental management at its core, and accreditations include: **ISO 14001, ECF, EMAS, EU Ecolabel & FSC® Certifications.**

